

Fund Source Report

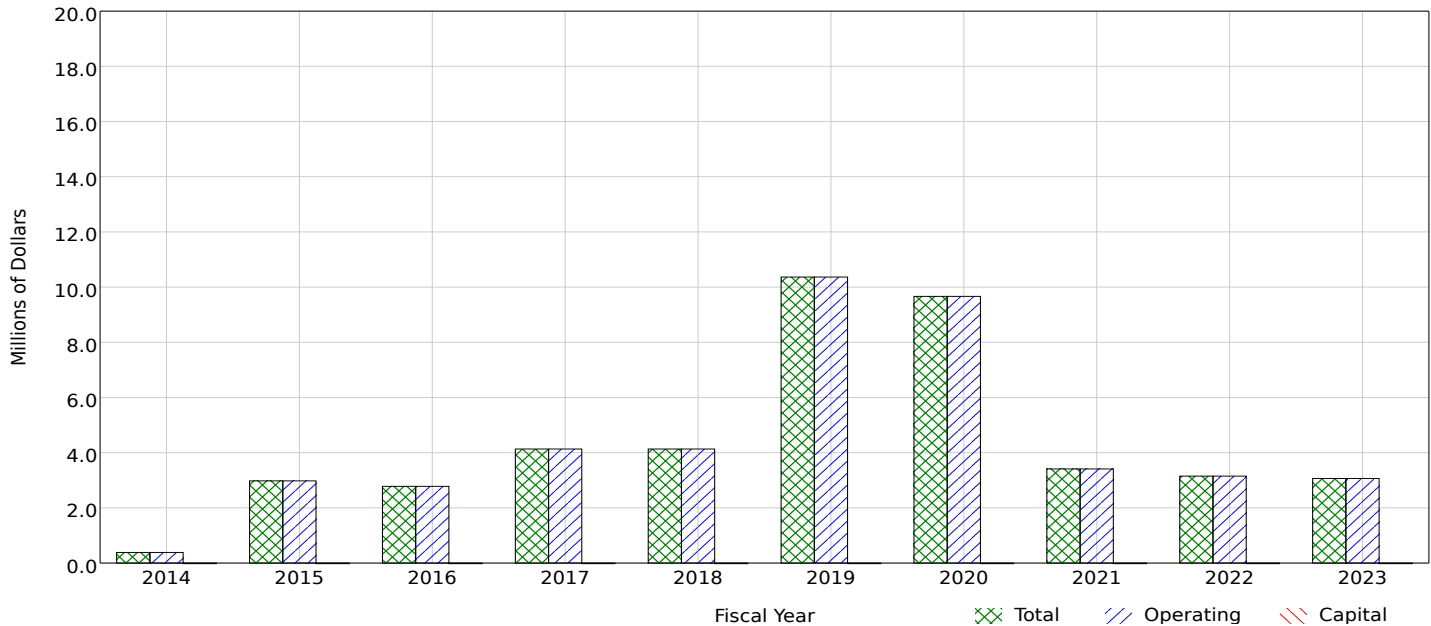
1235

AGDC-LNG

Alaska Liquefied Natural Gas Project Fund

Year Authorized FY15	Year Repealed	Active? Yes	Mental Health? No	Duplicated? Yes	Fund Group Other Designated
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Operating and Capital Appropriations



Legal Authority

AS 31.25.110

Source of Revenue

The LNG fund consists of money appropriated to it. Interest and other income received on money in the fund shall be separately accounted for and may be appropriated to the fund.

Restrictions on Use

The corporation may use money appropriated to the fund without further appropriation for the cost of managing the fund, for purposes related to an Alaska liquefied natural gas project, and for the purpose of transferring net revenue received by the corporation related to equity interest, contracts, and other activities to the appropriate fund of the state as determined by the commissioner of revenue in consultation with the commissioner of natural resources.

Description and History

April 2014

The AGDC-LNG code should be used only to record the operating budget of the Alaska Gasline Development Corporation for LNG project activities. The source of funding is the LNG fund within the ADGC. That fund is also the source of money used by AGDC to purchase goods and services from state agencies (see code 1236) and from outside vendors (no appropriation required).

This specific code for AGDC internal appropriations is required because there is a need to set an internal budget for the corporation (code 1235) without limiting purchases of goods and services from outside vendors or state agencies.

The LNG fund was established with the adoption of SB 138 during the 2014 session. The fiscal note to SB 138 appropriated \$70 million to the fund.

The LNG fund is established within the corporation and consists of money appropriated to it. The corporation shall determine fund management and may contract with the Department of Revenue for fund management. Interest and other income received on money in the fund shall be separately accounted for and may be appropriated to the fund.

Codes 1235 and 1236 both draw from the LNG fund. The combination of codes meets the following objectives:

1. AGDC has unlimited access to the pipeline fund for purchase of goods and services from vendors (no appropriation required, and not recorded in the budget system)
2. AGDC has an identifiable operating budget limited to the appropriation of code 1235, and complies with the executive budget act.

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3. AGDC has full control over the amount and cost of services purchased from other state agencies (code 1236).